LAW OFFICES

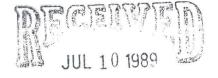
PRUITT, GUSHEE & FLETCHER

SUITE 1850 BENEFICIAL LIFE TOWER

SALT LAKE CITY, UTAH 84111 (801) 531-8446

TELECOPIER (801) 531-8468

July 10, 1989



HAND DELIVERED

ROBERT G. PRUITT, JR. OLIVER W. GUSHEE, JR.

F. ALAN FLETCHER THOMAS W. BACHTELL

A. JOHN DAVIS, III FREDERICK M. MACDONALD STEVEN PAUL ROWE

GELLING & MAINING

Mr. Scott Johnson, Reclamation Engineer, Mineral Resource Development and Reclamation Program Division of Oil, Gas & Mining Department of Natural Resources State of Utah 355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, UT 84180-1203

> RE: DOGM Permit Review, 1989 Amendment, Sever Lake Project, M/027/008-89(1), Millard County, Utah

Dear Mr. Johnson:

Per our telephone conversation of last week, enclosed are the corrected balance sheets for Crystal Peak Minerals Corporation for the time periods ending June 30, 1988 and March The balance sheets were corrected by removing future 31, 1989. production debt payable from the Total Current Liability column and placing that debt in a separate column.

Thank you again for your timely comment on our submittals.

Very truly yours

John Davis

AJD/1h

William V.H. Clarke (w/o enclosures)

Larry Sower

1089.35

CRYSTAL PEAK MINERALS CORPORATION

P.O. Box 3006 Houston, Texas 77253-3006 713/522-5720



July 10, 1989

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State of Utah Department of Natural Resources Division of Oil, Gas and Mining

Dear Madam or Sir:

We have prepared the balance sheets of Crystal Peak Minerals Corporation as of June 30, 1988 and March 31, 1989.

In the opinion of management, the aforementioned balance sheets present fairly the financial position of Crystal Peak Minerals Corporation at June 30, 1988 and March 31, 1989 in conformity with generally accepted accounting principles applied on a consistent basis.

Sincerely,

S.J. Smith

Vice President & Treasurer

SJS:dc

Attachments



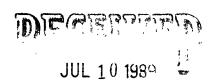
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CRYSTAL PEAK MINERALS CORPORATION BALANCE SHEETS JUNE 30, 1988 and MARCH 31,1989

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ASSETS	JUNE 30,1988	MARCH 31, 1989
CURRENT ASSETS		
CASH	\$5,770	\$10,320
PREPAID EXPENSE	8,702	58.737
TOTAL CURRENT ASSETS	\$14,472	\$69,057
PROPERTY, PLANT, and EQUIPMENT LESS DEPRECIATION	\$4,021,507	\$4,806,182
	56,995	87,684
	\$3,964,512	\$4.718.498
OTHER ASSETS AT COST	\$7,695	\$5,224
	\$3,986,679	\$4,792,779
CURRENT LIABILITIES ACCRUED EXPENSES	\$35,318	\$4,387
HOUNDED EXPENSES		
TOTAL CURRENT LIABILITIES	\$35,318	\$4,387
PRODUCTION DEBT PAYABLE	\$272,370	\$428,155
STOCKHOLDER'S EQUITY		
CAPITAL STOCK	\$3,620,000	\$4,285,600
STOCK WARRANTS PAYABLE	57,991	66,583
RETAINED EARNINGS	1,000	8,054
TOTAL STOCKHOLDER'S EQUITY	\$3,678,991	\$4,360,237
	\$3,986,679	\$4,792,779

See accompanying notes to balance sheets



CRYSTAL PEAK MINERALS CORPORATION NOTES TO BALANCE SHEETS

BASIS OF ACCOUNTING

The company maintains its books on the accrual method of accounting in accordance with generally accepted accounting principles.

DEPRECIATION AND AMORTIZATION

Property, plant and equipment is depreciated and amortized using various methods over estimated useful lives.

WARRANTS PAYABLE

The company has agreements which provide for the construction of improvements and administrative and management services in exchange for stock. The stock to be issued in connection with these agreements is shown as warrants payable until such time as the stock is issued.

RETAINED EARNINGS

Retained earnings represents insignificant sales of product during the development phase of the project.